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TAGS: PARM PREL ETTC AORC CH IN

SUBJECT: AMBASSADOR PRESSES MFA AFM LIU ON NUCLEAR SUPPLIERS GROUP DRAFT EXCEPTION FOR INDIA

REF: BEIJING 3102 AND PREVIOUS

Classified By: Ambassador Clark T. Randt, Jr. Reasons 1.4 (b/d).

¶1. (C) In a September 3 meeting with MFA Assistant Foreign Minister Liu Jieyi, the Ambassador urged China to support the draft exception for India at the upcoming Nuclear Suppliers Group (NSG) Plenary and the conclusion of the U.S.-India Civil Nuclear Cooperation Initiative this year. Completion of the Initiative would bring India into the global nonproliferation regime. (Ambassador also raised U.S. concerns about a Chinese sale of dual-use items to a country of concern and responded to AFM Liu's demarche on Taiwan issues. Reported septels.)

¶2. (C) AFM Liu Jieyi responded that the recent unanimous decision by the IAEA Board of Governors "embodied the positive attitude of China" toward this issue. However, he stressed that the issue is now a matter for the "more nonproliferation-driven NSG" to consider, noting that NSG colleagues from Europe and Japan have raised "legitimate questions" aimed at preventing an India exception from leading to the illicit diversion of peaceful nuclear technology. AFM Liu noted favorably that the United States has amended the proposed exception to address some of the apprehensions raised by other countries. "China won't be an obstacle" to an agreement, AFM Liu maintained, but said it would be good if the exception could "incorporate the concerns" of NSG members. "Other countries," AFM Liu warned, implying countries of possible proliferation concern, "are watching to see how India is treated."

¶3. (C) In response to the Ambassador noting that India's record on nonproliferation distinguishes India from such "other countries," AFM Liu mentioned that he recently had discussed that topic with the visiting special envoy from India. "Rest assured China has taken into account India's nonproliferation record," AFM Liu stated.

RANDT